

(i) The creditworthiness of the specific counterparty;

(ii) The savings association's experience with such counterparty and with transacting in financial option and futures contracts generally;

(iii) The nature of the subject contracts (e.g., matched or unmatched); and

(iv) Any other circumstances deemed relevant by the Regional Director. An application to enter into a financial option transaction under paragraph (e)(2) of this section shall be deemed approved if the Regional Director does not deny such application within 10 calendar days from the date the application was filed.

(f) *Records retention.* A savings association engaging in financial options transactions shall maintain records of such transactions in accordance with the requirements of paragraphs (f)(1) through (f)(3) of this section.

(1) *Contract register.* The savings association shall maintain a contract register adequate to identify and control all financial options contracts and sufficient to indicate at any time the amounts of financial options contracts required to be reported on its monthly report. At a minimum, the register shall list the type, amount, expiration date and the cost of or income from each contract.

(2) *Other documentation.* The savings association shall maintain, as part of the documentation of its financial options activity, a schedule of any cash market or forward commitment position with which the option is matched, the objective for each contract (or group of contracts), and the results.

(3) *Period covered.* The records designated in this paragraph (f) shall be maintained for all financial options closed out during the preceding ten years.

[54 FR 49552, Nov. 30, 1989, as amended at 57 FR 40093, Sept. 2, 1992]

§ 563.176 Interest-rate-risk-management procedures.

Savings associations shall take the following actions:

(a) The board of directors or a committee thereof shall review the savings association's interest-rate-risk expo-

sure and devise a policy for the savings association's management of that risk.

(b) The board of directors shall formerly adopt a policy for the management of interest-rate risk. The management of the savings association shall establish guidelines and procedures to ensure that the board's policy is successfully implemented.

(c) The management of the savings association shall periodically report to the board of directors regarding implementation of the savings association's policy for interest-rate-risk management and shall make that information available upon request to the Office.

(d) The savings association's board of directors shall review the results of operations at least quarterly and shall make such adjustments as it considers necessary and appropriate to the policy for interest-rate-risk management, including adjustments to the authorized acceptable level of interest-rate risk.

[54 FR 49552, Nov. 30, 1989, as amended at 58 FR 45813, Aug. 31, 1993; 59 FR 53571, Oct. 25, 1994]

§ 563.177 Procedures for monitoring Bank Secrecy Act compliance.

(a) *Purpose.* The purpose of this regulation is to require savings associations (as defined by § 561.43 of this chapter) to establish and maintain procedures reasonably designed to assure and monitor compliance with the requirements of subchapter II of chapter 53 of title 31, United States Code, and the implementing regulations promulgated thereunder by the U.S. Department of Treasury, 31 CFR part 103.

(b) *Compliance procedure.* On or before April 27, 1987, each savings association shall develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with the recordkeeping and reporting requirements set forth in subchapter II of chapter 53 of title 31, United States Code, and the implementing regulations promulgated thereunder by the Department of Treasury, 31 CFR part 103. The compliance program shall be reduced to writing, approved by the savings association's board of directors, and reflected in the minutes of the savings association.